

Coast, and 86% of the plastics storage capacity in the Texas/Louisiana Gulf region. I understand that the proposal includes a trackage rights agreement with Burlington Northern Santa Fe (BNSF) to address this issue.

On the other hand, Conrail has submitted a proposal to purchase the lines referred to as SP East, i.e., the lines from Chicago through St. Louis to Houston, the line from New Orleans to El Paso as well as lines to Dallas/Fort Worth, Eagle Pass, Brownsville and Memphis.

There are clear advantages of having a railroad own the line as opposed to having a railroad operate over another company's line. First, owners of rail lines will have every incentive to invest in track and work with the local communities to attract economic development. In addition, owners who control the service they provide, i.e. its frequency, reliability and timeliness. Finally, an owning railroad offers the best opportunity to retain employment for railroad workers who would otherwise be displaced by the proposed merger.

I support Conrail's proposal and urge you to carefully review it as you consider the UP-SP merger application. I believe it addresses many of the issues raised with respect to the merger's impact on cities like Memphis.

I look forward to hearing from you.

Sincerely,

BOB CLEMENT,
Member of Congress.

CONGRESS OF THE UNITED STATES,
Washington, DC, May 15, 1996.

Re finance docket 32760.

Hon. VERNON A. WILLIAMS,
Secretary, Surface Transportation Board, 12th
Street and Constitution Avenue
Washington, DC.

DEAR SECRETARY WILLIAMS: I am writing in regard to an application pending before you that seeks approval of a merger between the Union Pacific Railroad (UP) and Southern Pacific Lines (SP). I am very concerned that the merger of these two railroads will significantly reduce rail competition and result in higher rates for shippers and consumers.

As proposed, the merger would grant UP control over a reported 90% of rail traffic in to and out of Mexico, 70% of the petrochemical shipments from the Texas Gulf Coast, and 86% of the plastics storage capacity in the Texas/Louisiana Gulf region. UP acknowledges that the merger would greatly reduce rail competition and proposes a trackage rights agreement with Burlington Northern Santa Fe (BNSF) as the solution. A trackage rights agreement, however, does not solve the problem as the several sets of changes in the agreement attest.

Owners of rail lines have incentives to invest in track and to work with local communities to attract economic development. Owners have control over the service they provide—its frequency, its reliability, and its timeliness. None of these things can be said about railroads that merely operate over someone else's tracks, subject to someone else's control, and required to pay the owner for every carload of traffic the tenant moves. An owning railroad, faced with none of these difficulties, and having major incentives to develop traffic for the line, can be more readily and consistently counted on to provide quality service and investment that is the best solution for shippers, communities, and economic development.

Conrail has offered to purchase the lines referred to as SP East, i.e. the lines from Chicago through to Houston, the line from New Orleans to El Paso as well as lines to Dallas/Fort Worth, Eagle Pass, Brownsville and Memphis. An offer from an owning rail-

road such as has been proposed by Conrail represents the best opportunity to preserve competition, enhance economic development potential, and save jobs.

For these reasons, I urge the Board to oppose UP/SP merger unless it is conditioned on a property-owning divestiture plan such as the one put forth by Conrail.

Sincerely,

EDDIE BERNICE JOHNSON,
Member of Congress.

CONGRESS OF THE UNITED STATES,
Washington, DC, May 21, 1996.

Re finance docket 32760.

Mrs. LINDA J. MORGAN,
Chairman, Surface Transportation Board,
Washington, DC.

DEAR CHAIRMAN MORGAN: I am writing regarding the proposed Union Pacific (UP) and Southern Pacific (SP) merger.

The UP-SP merger will create one of the largest railroads in the world. While I do not have a problem with this concept, I am concerned that if this transaction is approved in its current form it will have severe consequences. Specifically, data I have reviewed supports arguments that the UP-SP merger, as proposed, is not in the public interest and will result in the loss of thousands of jobs nationally.

Furthermore, some of the proposals to address the anti-competitive aspects of the merger appear to unfairly discriminate against Northeastern Ohio, negatively impacting its economy and employment. I am troubled by this and believe a solution in the national interest can be reached without discriminating against the State of Ohio.

One such solution may be Conrail's proposal to purchase lines which have been referred to as SP East. I believe a proposal of this nature is the best way to ensure competition, boost economic growth and preserve jobs.

With this in mind, I respectfully request that the Surface Transportation Board give every consideration to conditioning approval of the UP-SP on a property-owning divestiture plan to ensure that this merger will be an equitable one in the national interest.

Sincerely,

STEVEN C. LATOURETTE,
Member of Congress.

SUSPEND TARIFF ON PARA ETHYL PHENOL

HON. JOHN M. SPRATT, JR.

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1996

Mr. SPRATT. Mr. Speaker, today I am introducing legislation to suspend for 3 years the tariff on a chemical called Para ethyl phenol (PEP—HTS—2907.19.20 00). This bill is critical to saving the jobs of 50 of my constituents who work at Hodgson Chemicals, Inc., in Rock Hill, SC.

The Hodgson plant produces two chemicals called Butylated hydroxy ethyl benzene [BHEB] and Mono butyl ethyl phenol [MBEP]. PEP is a critical component in producing both BHEB and MBEP. Enactment of the bill will ensure that Hodgson can compete against a Japanese company which is the only other manufacturer of BHEB. BHEB is used as an antioxidant in low and high density polyethylene and is sold to chemical producers. MBEP is used as an intermediate to produce an antioxidant. Hodgson informs me that there are no domestic sources for Para ethyl phenol

[PEP]. Hodgson must therefore import and pay a 10.7 percent tariff on all the PEP it uses. This extra cost is reflected in the retail price Hodgson charges for BHEB and MBEP. The cost is substantial since over 50 percent of the finished product for both BHEB and MBEP is PEP.

The Japanese company exports BHEB to the United States, but not the PEP itself. This means that it avoids a tariff on PEP and therefore enjoys a significant cost advantage over Hodgson. Unless the tariff suspension is passed, Hodgson may be forced to discontinue production of BHEB and MBEP.

Hodgson plans on beginning production in the United States of PEP within 3 years. That is why Hodgson is only seeking a 3-year tariff suspension. Although I do not believe the cost of this suspension is great, we will be seeking a cost estimate from CBO to determine the bill's price tag. We will also seek to confirm that there are no domestic sources at present for PEP. Assuming that the only sources for PEP are foreign and that the cost is modest, I hope that the Congress will pass this bill in a timely manner. The jobs of many of my constituents depend on it.

INTERNATIONAL FESTIVAL OF ARTS AND IDEAS

HON. ROSA L. DeLAURO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1996

Ms. DELAURO. Mr. Speaker, I would like to congratulate my hometown of New Haven, CT, on the occasion of the first annual International Festival of Arts and Ideas.

The festival brings together performers and thinkers from across the region and around the world to showcase the arts and discuss the ideas intertwined with such outstanding creativity. The festival includes drama, music, storytelling, dancing, and magic for children; discussions and classes focused on the ideas of the festival; and performance and works by Connecticut artists.

New Haven's cultural riches enable it to host this tremendous festival, a festival that will foster greater appreciation for the arts and will spur discussion throughout Connecticut and the region. Drawing on the historic New Haven Green, internationally renowned Yale University and its many theaters and museums, the Shubert Performing Arts Center, the Audubon Street Arts District, Long Wharf Theatre, and many more treasures, New Haven will come alive to embrace a world of creative performance and thought. The displays and discussions will be highlighted by performers from Connecticut and throughout the world.

I am particularly proud of the public and private partnership that brought the International Festival of Arts and Ideas to New Haven, the arts and cultural capital of Connecticut. Their exceptional support has been matched by individuals who have volunteered their time and energy to guarantee that the more than 75,000 visitors will see the arts, ideas, and Connecticut at their best. Putting Connecticut's best foot forward with the Arts and Ideas Festival will bring people to the region this week and throughout the year.

This is a proud day for Connecticut as we kick off the first annual International Festival of Arts and Ideas. Congratulations.